



DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-898]

Large Diameter Welded Pipe from the Republic of Korea: Preliminary Results and Partial Rescission of the Countervailing Duty Administrative Review; 2020

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of large diameter welded pipe (welded pipe) from the Republic of Korea (Korea). The period of review (POR) is January 1, 2020, through December 31, 2020.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Dennis McClure or Jonathan Schueler, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5973 or (202) 482-9175, respectively.

SUPPLEMENTARY INFORMATION:

Background

On May 28, and June 1 and 3, 2021, we received multiple requests for an administrative review¹ of the countervailing duty (CVD) order on welded pipe from Korea.² On July 6, 2021, Commerce published a notice of initiation of an administrative review of the *Order*.³ On July

¹ See Hyundai RB Co., Ltd.'s Letter, "Request for Administrative Review," dated May 28, 2021; *see also* SeAH Steel Corporation's Letter, "Request for Administrative Review," dated June 1, 2021; Hyundai Steel's Letter, "Request for Administrative Review," dated June 1, 2021; Domestic Interested Party's Letter, "Request for Administrative Review," dated June 1, 2021; and Hyundai Steel Company's and Husteel Co., Ltd.'s Letter, "Request for Administrative Review," dated June 3, 2021. The domestic interested party is The American Line Pipe Producers Association Trade Committee.

² See *Large Diameter Welded Pipe from the Republic of Korea: Countervailing Duty Order*, 84 FR 18773 (May 2, 2019) (*Order*).

³ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 86 FR 35481 (July 6, 2021) (*Initiation Notice*).

29, 2021, Commerce selected Hyundai RB Co., Ltd. (Hyundai RB) and SeAH Steel Corporation (SeAH Steel) as the mandatory respondents in this administrative review.⁴ On January 4, 2022, Commerce extended the deadline for the preliminary results of this review to no later than May 31, 2022.⁵

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.⁶ A list of topics discussed in the Preliminary Decision Memorandum is included at the appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Scope of the *Order*

The merchandise covered by the *Order* is welded pipe. For a complete description of the scope of the *Order*, *see* the Preliminary Decision Memorandum.

Final Rescission of Administrative Review

As noted in the Preliminary Decision Memorandum, the domestic interested party timely withdrew their requests for administrative review with respect to EM Solution Co., Ltd.; Hansol Metal Co., Ltd.; Hawin; Hyosung; and POSCO.⁷ No other parties requested a review of these companies. On February 23, 2022, Commerce notified interested parties that we intended to rescind this administrative review of the companies named above and the following companies in the absence of suspended entries during the POR: (1) AJU Besteel Co., Ltd.; (2) Daiduck

⁴ See Memorandum, "Respondent Selection," dated July 29, 2021.

⁵ See Memorandum, "Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review; 2020," dated January 4, 2022.

⁶ See Memorandum, "Decision Memorandum for the Preliminary Results and Partial Rescission of the Countervailing Duty Administrative Review; 2020: Large Diameter Welded Pipe from the Republic of Korea," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁷ See Domestic Interested Party's Letter, "Partial Withdrawal of Request for Administrative Review," dated October 4, 2021.

Piping Co., Ltd.; (3) Dongbu Incheon Steel Co., Ltd.; (4) EEW KHPC Co., Ltd.; (5) Husteel Co., Ltd.;⁸ (6) Hyundai Steel; (7) Hyundai Steel Co., Ltd.; (8) Hyundai Steel Company;⁹ (9) Kiduck Industries Co., Ltd.; (10) Kum Kang Kind. Co., Ltd.; (11) Kumsoo Connecting Co., Ltd.; (12) Nexteel Co., Ltd.; (13) Samkang M&T Co., Ltd.; (14) SeAH Steel, Co., Ltd.; (15) Seonghwa Industrial Co., Ltd.; (16) SIN-E B&P Co., Ltd.; (17) Steel Flower Co., Ltd.; and (18) WELTECH Co., Ltd.¹⁰ No parties commented on the notification of intent to rescind the review of the 23 companies named above. Therefore, we determine that there were no entries of subject merchandise during the POR by these companies. As a result, we are rescinding this review, in part, pursuant to 19 CFR 351.213(d)(1) and 19 CFR 351.213(d)(3) with respect to the 23 companies listed above.

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a government-provided financial contribution that confers a benefit to the recipient, and that the subsidy is specific.¹¹ For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

⁸ As stated in the *Initiation Notice*, subject merchandise both produced and exported by Husteel Co., Ltd. (Husteel) is excluded from the CVD order. Thus, Husteel's inclusion in this administrative review is limited to entries for which Husteel was the producer or exporter of the subject merchandise, but not both the producer and exporter.

⁹ As stated in the *Initiation Notice*, subject merchandise both produced and exported by Hyundai Steel Company (Hyundai Steel) and subject merchandise produced by Hyundai Steel and exported by Hyundai Corporation are excluded from the CVD order. Thus, Hyundai Steel's inclusion in this administrative review is limited to entries for which Hyundai Steel was not the producer and exporter of the subject merchandise and for which Hyundai Steel was not the producer and Hyundai Corporation was not the exporter of subject merchandise.

¹⁰ *See* Memorandum, "Notice of Intent to Rescind Review, In Part," dated February 11, 2022.

¹¹ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

Companies Not Selected for Individual Review

The statute and Commerce’s regulations do not directly address the CVD rates to be applied to companies not selected for individual examination where Commerce limited its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation. Section 777A(e)(2) of the Act provides that “the individual countervailable subsidy rates determined under subparagraph (A) shall be used to determine the all-others rate under section 705(c)(5) {of the Act}.” Section 705(c)(5)(A) of the Act states that for companies not investigated, in general, we will determine an all-others rate by weight-averaging the countervailable subsidy rates established for each of the companies individually investigated, excluding zero and *de minimis* rates or any rates based solely on the facts available.

In this review, we preliminarily determine that only Hyundai RB received countervailable subsidies at a rate above *de minimis*. Therefore, we are preliminarily applying the net subsidy rate calculated for Hyundai RB to the non-selected companies.

Preliminary Results of the Review

In accordance with 19 CFR 351.221(b)(4)(i), we calculated an individual net countervailable subsidy rate for Hyundai RB and SeAH. Commerce preliminarily determines that, during the POR, the net countervailable subsidy rates for the producers/exporters under review are as follows:

Producer/Exporter	Subsidy Rate (percent <i>ad valorem</i>)
Hyundai RB Co., Ltd.	1.66
SeAH Steel Corporation ¹²	0.31 (<i>de minimis</i>)

¹² As discussed in the Preliminary Decision Memorandum, Commerce has found the following companies to be cross-owned with SeAH Steel Corporation: SeAH Holdings Corporation and ESAB SeAH Corporation. The subsidy rates apply to all cross-owned companies.

Review-Specific Average Rate Applicable to the Following Companies¹³	
Chang Won Bending Co., Ltd	1.66
Dong Yang Steel Pipe Co., Ltd	1.66
EEW Korea Co., Ltd	1.66
Histeel Co., Ltd.	1.66

Disclosure and Public Comment

We intend to disclose to parties to this proceeding the calculations performed in reaching the preliminary results within five days of the date of publication of this notice.¹⁴ Interested parties may submit case briefs no later than 30 days after the date of publication of these preliminary results.¹⁵ Rebuttal briefs, limited to issues raised in case briefs, may be filed no later than seven days after the date for filing case briefs.¹⁶ Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit arguments are requested to submit with the argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, using Enforcement and Compliance's ACCESS system within 30 days of publication of this notice.¹⁷ Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. Parties should confirm the date and time of the hearing two days before the scheduled date.

Parties are reminded that all briefs and hearing requests must be filed electronically using

¹³ This rate is based on the rates for the respondents that were selected for individual review, excluding rates that are zero, *de minimis*, or based entirely on facts available. See section 735(c)(5)(A) of the Act.

¹⁴ See 19 CFR 351.224(b).

¹⁵ See 19 CFR 351.309(c)(1)(ii).

¹⁶ See 19 CFR 351.309(d)(1); see also *See Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020) (*Temporary Rule*).

¹⁷ See 19 CFR 351.310(c).

ACCESS and received successfully in their entirety by 5:00 p.m. Eastern Time on the due date. Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.¹⁸

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(2), Commerce intends to issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in any written briefs, no later than 120 days after the date of publication of these preliminary results.

Assessment Rates

In accordance with 19 CFR 351.221(b)(4)(i), we preliminarily assigned subsidy rates in the amounts shown above for the producers/exporters shown above. Upon completion of the administrative review, consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2), Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, CVDs on all appropriate entries covered by this review. For the companies for which this review is rescinded, we will instruct CBP to assess CVDs on all appropriate entries at a rate equal to the cash deposit of estimated CVDs required at the time of entry, or withdrawal from warehouse, for consumption, during the period January 1, 2020, through December 31, 2020, in accordance with 19 CFR 351.212(c)(1)(i). We intend to issue assessment instructions to CBP for these companies no earlier than 35 days after the date of publication of the preliminary results of this review in the *Federal Register*.

For the companies remaining in the review, we intend to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Rate

¹⁸ See *Temporary Rule*.

In accordance with section 751(a)(1) of the Act, Commerce intends, upon publication of the final results, to instruct CBP to collect cash deposits of estimated CVDs in the amounts calculated in the final results of this review for each of the reviewed companies listed above on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated CVDs at the all-others rate as established in the *Order* (i.e., 9.29 percent)¹⁹ or the most recent company-specific rate applicable to the company, as appropriate. These cash deposit instructions, when imposed, shall remain in effect until further notice.

Notification to Interested Parties

These preliminary results of review are issued and published pursuant to sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213 and 351.221(b)(4).

Dated: May 27, 2022.

Lisa W. Wang,
Assistant Secretary for Enforcement and Compliance.

¹⁹ See *Order* at 84 FR 18775.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Period of Review
- V. Partial Rescission of Administrative Review
- VI. Diversification of Korea's Economy
- VII. Subsidies Valuation Information
- VIII. Benchmarks and Interest Rates
- IX. Analysis of Programs
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